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SEP 14 1942
CHARLES ELMORE CROPLEY

IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1942.

No. 397

GENERAL PORCELAIN ENAMELING AND MANUFACTURING COMPANY,

Petitioner,

vs.

THE CERAMIC PROCESS COMPANY,

Respondent.

PETITION OF GENERAL PORCELAIN ENAMELING AND MANUFACTURING COMPANY, FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, General Porcelain Enameling and Manufacturing Company, respectfully prays the grant of the Writ of Certiorari to the Circuit Court of Appeals for the Seventh Circuit to review the judgment of that Court entered July 16, 1942. A transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with the rules of this Court.

Summary and Short Statement.

(1) The Ceramic Process Company, respondent, filed its Bill of Complaint in the United States District Court for the Northern District of Illinois, Eastern Division, against General Porcelain Enameling and Manufacturing Company, petitioner, to enjoin infringement of United States Reissue Letters Patent No. 16,048, reissued on April 21, 1925. The original patent application was filed in the names of Herbert Hamilton Scott and George McIntosh Scott on March 26, 1923 and the original patent was issued on November 18, 1924 as patent No. 1,516,065. The application for reissue was filed March 12, 1925. The present owner of the patent is the respondent, The Ceramic Process Company.

(2) The said District Court on August 22, 1941 (R. p. 165) filed an opinion in very general language and erroneously referred to a "defendant's patent." The findings of fact (R. p. 165) and conclusions of law (R. p. 167) are couched only in general language, as no specific findings could properly be based on the opinion rendered by the Court, and there is no fact finding at all in connection with the controlling feature of this case. The Court found the reissue patent and its three claims valid and infringed. The interlocutory decree drawn in accordance with the opinion is found on page 168. Thereupon appeal was taken by petitioner to the Circuit Court of Appeals for the Seventh Circuit and said Circuit Court of Appeals by an opinion handed down July 16, 1942 affirmed the decree of the District Court. The opinion of the Circuit Court of Appeals is found on page 206 of the record. A petition for rehearing was thereupon filed and said petition for rehearing was denied on August 17, 1942 (R. p. 239). Within a few days it was ordered that the mandate be stayed provided petitioner filed its petition for cer-

tiorari promptly and if so that the mandate would be further stayed until final action on this petition.

(3) All of the three claims of the patent which were in controversy before the District Court and the Circuit Court of Appeals are involved in this petition.

(4) THIS PETITION PRESENTS AS PROPOSITIONS OF LAW, (a) the invalidity of the reissue patent based upon this Honorable Court's decision in *U. S. Industrial Chemicals, Inc.* v. *Carbide & Carbon Chemicals Corporation,* decided March 30, 1942 (No. 680) 315 U. S. 668; (b) the non-infringing nature of the accused process in accordance with the decision of this Honorable Court in *Schriber-Schroth* v. *Cleveland,* 311 U. S. 211, 85 L. Ed. 132; (c) the nature of the contractual relationships existing between practically all of the industry (R. p. 61, Folio 110) with respect to this patent are inequitable along such fundamental lines as should deny respondent the right of access to the Courts in behalf of said patent, the effect of such relations not having been passed upon by this Honorable Court and, (d) the reissue patent is invalid on the Patent Office record as a matter of law.

(5) The decision of the Circuit Court of Appeals for the Seventh Circuit in validating this patent is in direct conflict with the above mentioned decisions of this Honorable Court.

Patent in Suit.

The patent in suit expired on November 17, 1941 but the contractual relationships in connection therewith still subsist. The three claims of the patent are directed to a certain method or process (apparatus claims which had been originally presented to the Patent Office having been rejected and their rejection acquiesced in). The patented process is for the purpose of applying to an enamel surface a superposed enamel surface representing a legend

or design. In carrying out the process the patent uses the prior art mesh stencil (Fig. 8, R. p. 192), which mesh stencil is placed upon the original enamel surface and through which mesh stencil an enamel composition is overlaid on said original enamel surface, whereupon the mesh stencil is removed and the article fired a second time to transform the deposited composition into a fired enamel surface. A fired enamel is the same as glass (R. p. 119). The mesh stencil (Fig. 8, R. p. 192) is blocked out, except for the legend or picture, by paper pasted thereon, so that the enamel composition which is applied to the underlying enamel through the exposed mesh is in the form of said legend or picture. We have added as "Appendix A" a reproduced copy of the reissue patent in suit, in which those portions not underscored show the application as originally filed, in which those portions which are underscored by a straight line were added by an amendment which was made to the application after its final rejection and prior to the allowance of the claims which were incorporated in the original patent (R. p. 188), and in which those portions which are underlined by a wavy line indicate those portions which were added in the reissue application. The reissue application was filed in order to narrow the claims (R. p. 161), admitting at the same time that the claims of the original patent were too broad.

The Dissimilarity Between the Alleged Invention Originally Claimed and the Alleged Invention Claimed in the Reissue.

The originally alleged invention (please see Appendix A or R. p. 182) consisted in the provision of a mixture "composed of one part by volume of turpentine, 1 part by volume of beeswax, and 8 parts by volume of paraffin oil * * * mixed with approximately three times

its weight of the quartz-like enamel or 'enamel frit' and oxide mixture and the whole is ground in a mill after which a small proportion of a varnish such as lithovarnish amounting for example to one to two per cent of the aforesaid oily mixture is well mixed in." The so-called "enamel frit" consists of finely ground quartz-like enamel and an oxide mixture which, when heated to around 1500° F. will fuse into glass and present an enamel surface. This mixture is applied through the mesh stencil to the underlying enamel surface and fired. This mixture (R. p. 182 and Appendix A) is described as a "pasty composition" in the originally filed patent application.

The claims as originally filed (R. pp. 135 to 137), including a claim 4 specifically defining the enamel mixture, were finally rejected (R. p. 142). Thereupon new matter (R. pp. 143, 144, 145) as underlined by straight lines in Appendix A was added which entirely changed the nature of the invention but which secured the allowance of the claims of the original patent as found on pages 145 to 147 of the record. In making that addition the applicant stated (R. p. 148):

> "The paste or composition after being forced through the stencil mesh is deposited on the enamel base in a finely divided condition. This finely divided condition of the paste is necessary in order that during the firing of the product the volatile materials in the paste be driven off before a fusing temperature be reached for fusing the remaining vitreous enamel material."

The original underlying application was silent on that point. It was on the basis of that change that the claims were allowed in the original patent. This alone was improper, because the claims as issued in the original patent were for a different invention than that found in the underlying original specification.

Nevertheless, respondent found within a year from the

time that the original patent issued that the claims were still too broad, and in drawing the reissue added all of the material underlined by wavy lines in Appendix A. This additional matter is directed solely to further defining the flow characteristics of what was originally called a "paste", to a point where it would have to be a material *which will not "run" together.* The reissue patent (R. p. 184 or Appendix A) states, beginning at the bottom of the left-hand column—

> "We further found, however, that if the vitreous enamel composition with oily medium was mixed to a pasty consistency and passed through the mesh, the paste would be applied to the surface in small separated particles as stated, which will not 'run' together, thus enabling the volatile matter to pass off freely without blistering the enamel."

The reissue for the first time defined the consistency of the "paste" to be of such a nature that the material when deposited will not run together, thereby incorporating therein an invention (if such it was), which is not found in the original patent. The whole invention herein is based upon the degree of fluidity of a "paste", undefined in the originally filed patent application, somewhat defined by amendment before allowance of any claim in the original patent, and entirely differently defined and qualified in the reissue. The *only* evidence in the record as to the consistency or fluidity of the material used by the defendant is to the effect that the deposited material runs together the instant that it is being deposited upon the underlying enamel surface (R. p. 57). This is because petitioner uses a material of paint-like consistency such as used in the Beck prior art patent (R. p. 192). The only evidence of the character of petitioner's material put into the record by plaintiff is the answer by petitioner to respondent's interrogatory as appearing upon page 4 of the record; and which says nothing at all concerning the fluidity of the material which is used by the defendant. This interroga-

tory defines a process which is the equivalent of the claims that were rejected and cancelled.

We respectfully submit that the Court of Appeals erred in not construing the qualification made by respondent in its patent application and its application for reissue strictly against respondent as required by this Court in accordance with the decision in *Schriber-Schroth* v. *Cleveland, supra,* thus absolving petitioner of the charge of infringement.

We further respectfully submit that the decision of the Circuit Court of Appeals is also in conflict with the decision of this Honorable Court in *United States Industrial Chemicals* v. *Carbide & Carbon Chemicals, supra,* because the invention (if any) of the reissue patent is not the same as that of the original patent.

We wish further to call to the attention of this Court that the illustration appearing on page 111 of the record is not a correct illustration. This was prepared by respondent for use in another suit (R. p. 33). In defendant's process the screen at no time touches the sign (R. p. 57). This is for the reason that a surrounding edge of paper underlies the screen and thus keeps it away from the underlying enamel surface. Petitioner's material of paint-like consistency flows readily through and around the meshes of the screen and is continuous even before the material reaches the underlying enamel surface.

After removal of the screen petitioner's deposited material shows mesh marks throughout a portion of its surface which are akin to slight paint brush marks (R. pp. 54 and 59), the remaining portions of the surface being continuous. Nowhere is there found an undulatory surface such as shown in Fig. 3 (R. p. 111). Yet respondent disclaims a flowing together such as shown in Fig. 3 (R. p. 34) as being in accordance with the patented procees, characterizing the condition of the material in Fig. 3 as "leveling itself completely."

The Contractual Relationships With Respect to Licensing By Respondent.

The patent in suit is owned by respondent (R. p. 14) and the reason for its acquisition is set forth on page 20 of the record. Its relationship to Solar Laboratories, a patent holding corporation, is set forth on page 61 of the record. The license agreements are set forth on pages 113, 114, 115, 116, 118, 119, 120, 121 and 123. The number of patents involved in these license agreements is set forth on pages 117, 118 and 122. The list of licensees is set forth on pages 124 to 129 inclusive. As stated in the record (p. 61, folio 110) substantially the entire industry is licensed. The great number of patents involved in these agreements is thus apparent. In referring to page 117 of the record we find that the patents involved in these license agreements date back to as early as February 6, 1923. On page 124 they are shown to date back to December 9, 1924. The earlier patents including the Scott patent in suit have expired, yet they are still used contractually to bind an industry by the use of machinery which respondent may purchase on its own account, yet which machinery is limited in its use to certain qualifications and the use of which machinery in connection with expired patents still requires the payment of license fees. Under a condition such as this the effective value of the patent does not even expire when the patent term is over. Such use of a patent certainly is not contemplated either by the constitution or the laws enacted thereunder.

It is our respectful contention that contractual relationships so drawn as to create a monopoly which continues after the expiration date of the patent on which they are based are inequitable to such a degree as to destroy the right to a recovery under any patent used in such manner.

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Questions Presented.

The questions presented to this Honorable Court are therefore: (a) can qualifying statements made by an applicant in order to secure allowance of a patent be disregarded; (b) is a reissue valid for an invention not disclosed in the original; (c) is it proper to enter into contractual relationships which extend the monopoly period of a patent beyond seventeen years; and (d) do the patent laws contemplate that the provision of a process using the same steps as the process of a prior art patent (R. p. 192) and in which the only change is in the use of a material having a different mixture of less fluidity, constitute invention.

Reasons Relied on For Granting the Writ.

(1) The decision of the Circuit Court of Appeals for the Seventh Circuit is in direct conflict with the following decisions by this Honorable Court:

U. S. Industrial Chemicals, Inc. v. *Carbide & Carbon Chemicals Corporation,* 315 U. S. 668.

Schriber-Schroth v. *Cleveland,* 311 U. S. 211; 85 L. Ed. 132.

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(2) Contractual relationships so drawn as to continue a patent monopoly beyond the expiration date of the patent deny the patent owner the right to rely on such patent for any recovery.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Honorable Court, directed to the Circuit Court of Appeals for the Seventh Circuit, commanding that Court to certify and to send to this Court for its review and determination, on a day certain to be therein named, a full and

complete transcript of the record and all proceedings in the case numbered and entitled on its docket No. 7860, The Ceramic Process Company, Plaintiff-Appellee *vs.* General Porcelain Enameling and Manufacturing Company, Defendant-Appellant, and that the said decree of the Circuit Court of Appeals for the Seventh Circuit may be reversed by this Honorable Court, and that your petitioner may have such other and further relief in the premises as to this Honorable Court may seem meet and just; and your petitioner will ever pray.

MAX W. ZABEL,
Counsel for Petitioner.

